VZCZCXRO1464 OO RUEHAST RUEHBI RUEHCI RUEHDBU RUEHLH RUEHNEH RUEHPW DE RUEHNE #2330/01 3221435 ZNR UUUUU ZZH O 181435Z NOV 09 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 8613 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 8080 RUEHRL/AMEMBASSY BERLIN 1471 RUEHLO/AMEMBASSY LONDON 6997 RUEHMO/AMEMBASSY MOSCOW 3769 RUEHFR/AMEMBASSY PARIS 1987 RUEHKO/AMEMBASSY TOKYO 6587 RUEKJCS/JOINT STAFF WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC

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SENSITIVE SIPDIS

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SUBJECT: MAYAWATI STRONG IN U.P. BY-ELECTIONS, BUT CONGRESS
MAKING IN-ROADS

11. (U) Summary. In Uttar Pradesh (U.P.), Chief Minister Kumari Mayawati's Bahujan Samaj Party (BSP) swept the November 7 by-elections, winning nine out of eleven Assembly seats and consolidating further its hold of the state legislature. The by-elections were equally dramatic for the Samajwadi Party (SP), which failed to win a single seat. lone parliamentary seat was the most bitter loss for SP leader Mulayam Singh Yadav who staked his family pride in fielding his daughter-in-law, Dimple. Congress Party candidate and former SP Lok Sabha (lower house of parliament) member Raj Babbar won the seat by an impressive 85,000 votes, thanks in large part to the aggressive campaigning of Rahul Gandhi and voters' resentment of the Yadav political dynasty. Yadav's son Akhilesh has come out swinging against Gandhi in the media, calling for a Generation Next battle. Despite his bravado, most analysts agree that Congress has a good chance to emerge as the BSP alternative in the 2012 election in India's most populous state, at the expense of both the SP and Bharatiya Janata Party. U.P. watchers will keep a close eye on the on-again off-again Congress-SP relationship to see if it becomes more tense and frayed over time as the SP feels increasingly threatened by Rahul Gandhis mission to reestablish the Congress Party on SP territory. END SUMMARY.

Mayawati Still Dominates

¶2. (SBU) Although Mayawati avoided the campaign trail during the November 7 by-elections, her party managed to win nine out of eleven Assembly seats and to rebound from its disappointing performance in the spring parliamentary elections. Analysts credit the BSP's victory with the party's return to its traditional Dalit vote base after it tried and failed to woo Brahmin, Muslims, and other groups during the April-May parliamentary election. In the run-up to the by-elections, Mayawati made several overtures to Dalit voters in the form of seat reservations at private institutions and preference in government contracts. strategy paid off as the BSP's share of the vote increased by three percent. When Mayawati formed her government in May 2007, the BSP had 206 members in the 403-seat state legislature. Now it has a much more comfortable majority of 1227. Contacts warned Poloff not to read too much into the BSP's victory, given the advantages and power wielded by any ruling party during by-elections when only a handful of seats are at stake and ouster of the ruling party is not an option. Journalist Sanjay Kapoor said that after BSP's embarrassing showing in the Lok Sabha elections, BSP leaders warned district leaders that unless the party machinery churned out a better showing in the by-elections, "they would not have

enough power to charge their cell phones."

But Rahul's Gamble Paid Off

 $\underline{\P}3$. (SBU) The Congress Party's victory in the race for the Firozabad Lok Sabha seat represented another positive step in Rahul Gandhi's mission to rebuild the party structure in India's most populous state. Congress candidate Raj Babbar trounced his SP competitor Dimple Yadav, SP Leader Mulayam Singh Yadav's daughter-in-law, by 85,000 votes. Congress contacts disclosed that Sonia Gandhi had preferred to field a weak candidate in the Firozabad race in deference to sometime ally Yadav, but her son and Congress Party in-charge for the state Digvijay Singh were adamant that the Congress Party should pull out all the stops in U.P. Many commentators credit the victory in Yadav's traditional stronghold to Gandhi's personal interest in the race. Contacts told Poloff that Gandhi's fresh face and air of transparency contrast sharply with Mayawati's hysterics and Yadav's cronyism. However, they warn that Gandhi must make substantial progress in mobilizing grass roots support for the Congress Party ahead of the 2012 state assembly polls. Journalist Sanjay Kapoor opined that Gandhi should consider what his party can offer Dalit voters. While Mayawati is a coarser politician, she has successfully delivered empowerment measures to some Dalits through government appointments and English education programs in schools that cater primarily to Dalits. Kapoor recommended that the Congress Party highlight the BSP's rampant corruption to chip away at Mayawati's voter base.

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14. (SBU) Congress Rajya Sabha MP Rashid Alvi admitted that Rahul Gandhi "always attracts a huge crowd," but told Poloff the Congress Party had also benefited from anti-SP sentiments, stemming from voters resentment of the increasingly dynastic politics of the Yadav clan. Today, Yadav's son, brothers, and nephew are all legislators either in the state or in the parliament. Voters apparently decided to draw the line at his daughter-in-law in this election. Overall, Congress's share of the voters increased by 13 percent, largely at the expense of the Bharatiya Janata Party (BJP), which was the biggest loser of the by-elections.

SP's Shame

party's ties with Singh.

- 15. (SBU) Yadav took his party's defeat -- especially in Firozabad -- as a personal humiliation as it signals a significant erosion of his support base in U.P. Congress Party contacts confirmed that Yadav has expressed his dismay that Congress had fielded a candidate against his daughter-in-law, not to mention a strong candidate like former Bollywood star Babbar. Yadav felt entitled to this political courtesy given that SP had refrained from putting forth a candidate for the parliamentary elections in the districts of Sonia and Rahul Gandhi. Congress MP Alvi told Poloff that the SP had also made a serious blunder when it embraced former BJP Chief Minister Kalyan Singh. Muslims blame Kalywan Singh, who was the Chief Minister of UP during the destruction of the Babri Masjid (mosque) in 1992, for his part in its destruction. Realizing that Yadav was a "fraud," Alvi observed that many Muslim voters returned to the Congress Party. Blaming Kalyan Singh for keeping away the Muslim vote in Firozabad, on November 16 Yadav broke his
- 16. (SBU) A wounded Yadav could cause some discomfort for the Congress Party. Some analysts have speculated that out of spite Yadav could withdraw the support in Delhi that his party has extended from outside of the Congress-led United Progressive Alliance (UPA). A weaker UPA could perhaps open the door for others -- namely Mayawati -- to create trouble for the Congress Party, as the BSP's similar outside support would assume greater value for the central government.

Despite the bad blood, these analysts predict that Yadav will likely stay put for the moment to prevent his main political rival playing an influential role in both Lucknow and Delhi. Contacts note that the SP may also prefer to avoid conflict while the Central Bureau of Investigation continues inquiries into corruption charges against Yadav and his chief lieutenant, the ailing Amar Singh.

Showdown: "Generation Next"

17. (SBU) In the wake of his wife's defeat, SP State President and party heir apparent Akhilesh Singh Yadav publicly challenged Rahul Gandhi to a political showdown in an odd attempt to spin a humbling defeat into a victory. The Congress Party dismissed the SP's proposed Rahul-Akhilesh showdown, noting the latter is "too small." Other contacts saw this as the SP's way of trying to rally the SP cadres after its wipeout. Continuing with his lashing out, Akhilesh commented, "if the charisma of Rahul Gandhi was so captivating for the youth and the masses, why did the Congress lose its sitting Assembly seats of Jhansi and Padrouna and the other eight Assembly seats?" He also took shots at Babbar's age, criticizing Rahul for claiming to represent the youth vote while fielding an "old man."

Comment

18. (SBU) While the by-elections will not have any effect on the central government at this time, shifting political alliances in U.P. have national consequences. We do not foresee the SP confronting the UPA in Delhi, but the Congress-SP relationship could become more tense over time as the SP feels increasingly threatened by Rahul Gandhi's mission to reestablish the Congress Party on its own territory. END COMMENT,

ROEMER